

“The 115 charges”

Background notes to a presentation for **The Arsenal Supporters’ Trust**
on The Premier League v Manchester City

by Nick Harris

29 February 2024



ARSENAL SUPPORTERS’ TRUST

1: An overview of the charges against Manchester City and what they mean

2: How the case will be heard and what the sanctions could be

**3: Why this case is taking longer than the charges
against Everton and Nottingham Forest**

*4: The timetable of what happens next and what it could
mean for the Premier League and Arsenal*

Sporting Intelligence, www.sportingintelligence.com, is now on Substack

<https://sportingintelligence832.substack.com/>



Background

UEFA developed Financial Fair Play (FFP) towards the end of the Noughties with a stated aim of trying to cut losses and debt at clubs across Europe's 55 football nations.

The architects were not a cartel of rich clubs wanting to pull up the drawbridge, as you'll often hear, without proof, but principally eight independent experts under the chairmanship of a former Prime Minister of Belgium, Jean-Luc Dehaene. One of the experts was the late Brian Lomax, the much admired founding father of the Supporters' Trust movement in Britain and [there's a backgrounder here](#) about the evolution of the new rules.

Those FFP rules comprised a huge set of common-sense regulations, dealing with issues as diverse as encouraging clubs to pay their financial obligations to each other on time to filing accurate financial information to UEFA on a regular basis.

The 'break-even' requirement was the most controversial element of FFP: allowing clubs only to lose €45m over a three-year period. At the same time the FFP rules allowed for unlimited spending on stadiums and other facilities, academies, youth development, women's football, community projects, and other "good" investment.

The first "monitoring period" for FFP was actually a two-year cycle comprising the 2011-12 season and the 2012-13 season. It was obvious to me as far back as 2011 that City were wilfully overspending and would fail FFP. As [I wrote more than 12 years ago](#): "It is inevitable City will fail to meet the first FFP break-even target."

This wasn't guesswork: the "maths" is laid out in the piece linked above, written in November 2011. I also knew a number of senior people inside City, and had a good professional relationship with them, and the club. There was open acknowledgement - if not for reporting on the record - that City were pursuing a policy of "accelerated" investment. The hierarchy at the club apparently believed they would be able to use clever accounting to get away with overspending, or assumed that UEFA wouldn't come down hard on over-spending in the first instance.

City could simply have spent less, on transfers and wages, and not failed FFP. They opted not to do that. They failed FFP at the first hurdle, and were punished for doing so in 2014.

Man City's 2014 FFP failure and punishment

City failed FFP at the first hurdle and it was fairly obvious why from the official "[Settlement agreement](#)" in which they agreed to pay a €60m fine (later reduced to "only" €20m), and agreed not to repeat some of the activity that led to their failure; in short, artificially inflating their income, specifically in relation to two of their sponsorship deals, but also through £47m on concocted income via the sale of "intellectual property" to third- and related parties.

City also agreed to squad limits and spending limits, and to “on-going and in depth monitoring” of their finances. They agreed all this in order to escape a ban from the Champions League, which various UEFA figures and investigators wanted at the time. But UEFA’s then president, Gianni Infantino, negotiated this “plea deal” settlement agreement with City’s owners.

Some City fans to this day insist the club didn’t break any rules and were never guilty of any FFP infringements. In [a podcast released just this week](#), a City fan and former City advisor, Stefan Borson, also a lawyer, argued this was the case: that City were not punished and it was entirely normal for them to agree to pay a €60m and accept all kinds of other restrictions and monitoring while being entirely innocent.

But it was absolutely clear that City did infringe FFP, and in 2016, I [revealed that City had come close to getting kicked out](#) of the Champions League in 2014, but agreed a plea bargain to avoid that punishment and received instead only a fine for their huge FFP breaches. Paris St Germain did a similar deal, and both arrangements were brokered by Infantino, a sports leader whose integrity we know all about.

My sources include staff inside City who knew they’d been lucky to get away with a fine, and also people with knowledge of the audit that uncovered City’s cheating that led to the 2014 punishment. City received a £5m bonus from one of their sponsors for winning the 2013 FA Cup for example. Which was odd because the 2013 FA Cup final ended Man City 0 Wigan 1.

[The Guardian, in 2020, also revealed](#) that UEFA’s auditors of City in 2014 were denied access to full financial records to do their job; and detailed how City, in fact, posted excess losses totalling about €180m in 2012 and 2013, far more than the €45m FFP maximum allowed. City were punished back in 2014 not unfairly, but for creative accountancy, or cooking their books.

So far, so simple.

Unbeknown to anyone at UEFA when the 2014 fine was meted out, but later revealed by the *Football Leaks* documents, Simon Pearce, a City board member — as well as one of the most senior advisors to Sheikh Mansour — had written in December 2013 to Peter Baumgartner of Etihad (City’s main sponsor), detailing how Etihad would provide just £8m of £99m of Etihad sponsorships. See next page.

When UEFA again found City guilty of financial irregularities (and were initially banned from the CL for 2 years) and they appealed to the Court of Arbitration for Sport (CAS), in 2020, Simon Pearce was asked at CAS: “Have you ever arranged any payments to be made to Etihad in relation to its sponsorship obligations of Manchester City Football Club?” Pearce answered: **“Absolutely, categorically not.”**

The December 2013 email below was only put into the public domain *after* the CAS case, on the face of it seeming to show that Pearce had not been truthful at CAS, where a two-year Champions League ban for City was overturned. City refused to comment when asked about Pearce’s CAS statement and the December 2013 email.

From: Simon Pearce (EAA) [REDACTED]
Sent: Monday, December 16, 2013 05:27 PM
To: Peter Baumgartner
Subject: RE: payments

Peter,

Thank you so much for making the transfer. Your and my conversations threw up an anomaly on our side. As I am sure you knew, embarrassingly it would seem that rather than overpaying you I have underpaid you!

In terms of receivables, Etihad owed MCFC:

1. 31.5m is due from season 12/13 uplift – (£30m base fee uplift for 12/13 [from £35m to £65m] and 2 instalments for UCL qualification of £750k each from 11/12 and 12/13)
2. £67.5m, according to Art. 4.1 of the Sponsorship Agreement FOR 2013/14:

- * Shirts Rights £35m
- * Training Kit & Campus Naming Rights £17.5m (there is a £2.5m fee uplift from previous season, according to contract)
- * Stadium Naming Rights £15m

So we should be receiving a total of £99m – of which you will provide £8m. I therefore should have forwarded £91m and instead have sent you only £88.5m. I effectively owe you £2.5m.

There are two options:

1. To invoice you only for the £65m and then to invoice you for the additional £2.5m next year (14/15)
2. To invoice you for the full £67.5m. You pay the £65m now and I will forward the £2.5m in a couple of months – at which point you can forward it on.

Let me know if you agree with all of the above and which option you prefer. Sincere apologies to you and your colleague for forwarding on poor and inaccurate information in the first instance.

Thank you always for your patience.

S.

The Der Spiegel documents, UEFA's second charges, and CAS

City were charged a second time by UEFA with various counts of alleged financial wrong-doing after the [Football Leaks](#) documents entered the public domain; these dealt with allegations of impropriety by dozens of football clubs and individuals over a long period of time. They were not targeting Manchester City alone, but all kinds of tax evasion and financially-related corruption and tax avoidance, and other alleged crimes, including sexual offences.

Long story short: UEFA charged City again, found them guilty, banned them from the Champions League for two years, and then City took the case to CAS on appeal, and had the ban overturned and had a fine of €30m for non-operation with UEFA reduced to “only” €10m.

Only after the CAS case, in which high-ranking City official Pearce was deemed an honest and reliable witness, did more documents appear (including the email above) that appeared to show he had committed perjury.

[I reported on this in greater detail in 2021](#), having obtained more material about anomalies in City's claims of innocence, and also having established that City were desperately trying to keep secret the fact that the Premier League were then also almost three years into their own investigation into City. The club had gone to the High Court to try to keep that secret but the *Mail on Sunday* won a ruling to reveal what was happening.

If you have an appetite to read reams and reams of apparently incriminating material about City, in emails and other correspondence, then you can, in relation to multiple allegations of financial malpractice in relation to Abu Dhabi-based sponsors ([documents here](#)), and in relation to Roberto Mancini's two contracts ([documents here](#)), and alleged illicit payments to Yaya Toure ([documents here](#)), and forbidden international trading of under-age players ([documents here](#)), among other things.

The Premier League inquiry into City's alleged wrongdoing

The Premier League opened an inquiry in Autumn 2018 into City's further alleged wrong-doing based on the *Leaks* material of that year, and barely uttered a word about it thereafter, until [City were charged with 115 counts of Premier League rule breaches](#) in February 2023.

An overview of the charges

The charges relate to matters that fall into five broad categories including failing to provide accurate financial information; not disclosing full details of Mancini's wages and not disclosing certain payments to players, including Yaya Toure, and, via relatives, to underage players; breaching UEFA's FFP rules; breaking the PL's own profitability and sustainability rules; and not co-operating with the Premier League investigation. (Links above to documents).

How the case will be heard, and potential sanctions

What we know is that a date has been set for the independent panel to hear the case. That will reportedly happen this Autumn but has not been confirmed. It could go on for some time given the number of charges, by which I mean not just days but weeks. If City are found guilty, they will doubtless appeal and that could take months more. If the Premier League lose the case, they could appeal. But I'd expect final verdicts one way or another, between late 2024 and Spring 2025. But it could be longer.

Why this case is taking longer than the charges against Everton and Nottingham Forest

Everton and Forest faced two and one charges respective, and they are straightforward charges around whether they exceed losses of £105m in a three-year period. Everton's first charge was dealt with over a period of months; they got a 10-point penalty ([full written reasons here](#)), reduced to six points in the past week. Their other charge is pending, as is Forest's. It's both the number of charges against City (115), and their complexity (they are charged with five separate things, not just over-spending), as well as City's constant legal challenges that have contributed to the City process taking more than five and a half years, so far.

The timetable of what happens next and what it could mean for the Premier League and Arsenal

There will be a hearing lasting probably weeks, starting later this year, reportedly in the Autumn but precise dates are unconfirmed. A three-man tribunal will consider the Premier League's evidence and Manchester City's defence, and then probably take months to reach a verdict with full written reasons. Given that the Everton written reasons for one charge ran to 41 pages, and then the Everton appeal verdict ran to 61 pages, it's hard to say how long the written reasons will be for City's 115 charges, whether they are deemed innocent or guilty. If City lose, they will inevitably appeal, and the Premier League might also appeal if they lose. That will add more months to the process. We might have a verdict by the end of the 2024-25 season, although different legal people suggest it could take much longer. Nobody knows for sure.

Will City be convicted?

The Premier League will have paid extremely close attention to City's tactics and legal arguments when getting a two-year Champions League ban overturned at CAS in 2020. It will prove to be an act of enormous folly if they charged City for 115 alleged offences without believing they have at least reasonable grounds, and proof, that they can make charges stick, if not all of them. I suspect City would bite your hand off for just another non-cooperation fine.

The Premier League spent four-and-a-half years investigating before charging. I have no idea whether they have hitherto unknown documents that blow a hole in City's defence, or they have a whistleblower; or whether they can demonstrate fully that what City told them about various financial deals in the past wasn't true. But again, one has to assume they believe in their case. They could easily have laid a few simple charges of non-cooperation on City, fined them, and made the case to other PL clubs that they tried, but 'sorry'.

At CAS, inexplicably, UEFA turned down the chance to spend longer trying to gather more incriminating materials from City. They also, inexplicably, let City select two of the three-man panel of judges who decided the verdict. The verdict to exonerate City on the most serious issues at CAS was by a 2-1 majority. When I say 'inexplicable', I mean 'politics'. The best guess is UEFA just wanted it done — for the certainty of

future seasons — had already tired of City dragging things out, and ultimately didn't have the will to keep prosecuting one of the continent's best and most exciting clubs. UEFA have form in this area: under Gianni Infantino in 2014, they didn't kick City out of Europe for egregious FFP breaches but instead gave City (and PSG) plea deals, and fines.

At CAS, some of City's key witnesses were assessed by the judging panel as honest and transparent. Only later did more documents emerge suggesting that perjury had been committed, as outlined earlier.

Four reasons City might not be convicted

They may be completely innocent, and that prior breaches and acceptance of punishments were honest mistakes, and that reams of documents suggesting concealed sponsorship and other illicit payments are just not true.

This kind of complex litigation is just that – complex. A key plank of City's defence at CAS in 2020 was "whatever any documents or emails said doesn't mean that the events that they describe actually happened". Thus, the onus will be on the Premier League to prove every charge and not rely solely on emails to assume apparent wrongdoing unfolded as described.

Disclosure. The Premier League will not have been able to go on a 'fishing expedition' and ask City to hand over all their emails for the past 10 or 12 years. They will be able to ask for correspondence about X specific matter in Y specific week or month. But again, the onus will be on the league to already have the evidence they need. Disclosure is more complicated still when the Premier League has zero jurisdiction over other bodies implicated in the case. They only have jurisdiction over the club. So, if, for example, a damning email and set of MCFC sponsorship agreements was being negotiated between a government advisor to Abu Dhabi and an Abu Dhabi sponsor, the League has no right to access that.

Geopolitics. City's owner Sheikh Mansour is the deputy PM of a key regional ally of the United Kingdom. If you don't think various avenues will be explored to make this go away, or at least mitigate what happens, then I don't think you have a future as a diplomat.